THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) A capacity addition target of 40245.2 MW was envisaged for the power sector in the Ninth Plan out of which 17588.5 MW was to come from private sector. However, according to the Mid Term Appraisal carried out in July, 1999, a capacity addition of 28097.2 MW is expected to be achieved during the 9th Plan which includes a capacity of 8363 MW to be added through Private Sector. Out of this, a capacity addition of 3332.5 MW has been achieved by the Private sector till the end of January, 2000. Concerted efforts are being made to attain the revised balance target of 5030.5 MW for private sector during the remaining period of Ninth Plan. Some of the initiatives taken by the Government to promote private sector investments include streamlining of procedures, raising the level of foreign equity to 100% on the automatic approval route provided it does not exceed Rs. 1500 crores and setting up of a Crisis Resolution Group to resolve the 'last mile' problems of the Independent Power Producers.

Increase in Power Production from Hydro Sources

719. SHRI C. RAMACHANDRAIAH: Will the Minister of POWER be pleased to state:

(a) whether there is scope for increasing power production from hydro spurces;

(b) whether it is a fact that production of power from hydro sources has been given low priority;

(c) if so, the reasons for neglecting the environmentally the soundest source of production;

(d) to what extent Government will encourage private sector to produce power from hydro sources;

(e) has any package been formulated; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Yes, Sir. There is a scope for increasing power production from the hydro sources as only 22.39% of the total assessed hydro potential has been developed/ under development and the remaining 77.61% still remains to be developed. The main reasons for the slow development of hydro power include (i) Shortage of Funds and longer

Gestation Period (ii) Rehabilitation and Resettlement Problems (iii) Dearth of Good Contractors (iv) Inter-State Aspects (v) Environment and Forest Clearance (vi) Law and Order Problems (vii) Land Acquisition Problems, and (viii) Geological Surprises.

In view of the vast scope for increasing power production from hydro sources, Government of India has announced a Policy on Hydro Power Development in August 1998 which addresses to the various issues that have led to the decline of share of hydro power in the last three decades and suggests remedial measures required to accelerate it.

(d to (f) The Policy on Hydro Power Development seeks to encourage greater participation by private entrepreneurs and to create the financial administrative and legal environment to encourage massive investment. Steps are also being taken to accelerate the process of survey and investigation of the new hydroelectric sites with a view to create a shelf of projects which could be taken up for execution.

In order to encourage greater private investment, tariff for hydel projects has been rationalised, procedure for transfer of technoeconomic clearance have been simplified, a mechanism to cover geological risks has been evolved and State Governments have been made responsible for land acquisition, rehabilitation and resettlement.

Purchase of NHPC by NTPC

720. SHRIMATI JAYAPRADA NAHATA:
SHRI AMAR SINGH:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the National Thermal Power Corporation has decided to fork out Rs. 500 crores to buy National Hydel Power Corporation;

(b) if so, the details thereof;

(c) whether NTPC has any expertise in hydel Power and if so, the details thereof; and

(d) if not, what is the rationale behind this deal?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (d) The Government of India announced a Policy on Hydro Power Development in August, 1998 with an